

ANNUAL REPORT

Of

Company Name: Cayetano, Inc. DBA Lakewood Water Company
PO Box 85160

Mailing Address: Tucson AZ
85754

Docket No.: W-01809A
For the Year Ended: 12/31/20

RECEIVED BY EMAIL
4/28/2021, 5:44 PM
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

WATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

Email: Util-Compliance@azcc.gov, mail or deliver the completed Annual Report to:
Arizona Corporation Commission
Compliance Section - Utilities Division
1200 West Washington Street
Phoenix, Arizona 85007

Application Type: Original Filing
Application Date: 5/7/2021

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Cayetano, Inc. DBA Lakewood Water Company
A Class Utility

For the Calendar Year Ended:

Primary Address:
City: State: Zip Code:

Telephone Number:

Date of Original Organization of Utility:

Person to whom correspondence should be addressed concerning this report:

Name:
Telephone No. :
Address:
City: State: Zip Code:
Email:

Name:
Telephone No. :
Address:
City: State: Zip Code:
Email:

Name:
Telephone No. :
Address:
City: State: Zip Code:
Email:

Name:
Telephone No. :
Address:
City: State: Zip Code:
Email:

Name:
Telephone No. :
Address:
City: State: Zip Code:
Email:

Ownership:

Counties Served:

Important changes during the year

No	For those companies not subject to the affiliated interest rules, has there been a change in ownership or direct control during the year?
	If yes, please provide specific details in the box below.
	N/A

No	Has the company been notified by any other regulatory authorities during the year, that they are out of compliance?
	If yes, please provide specific details in the box below.
	N/A

Utility Plant in Service (Water)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OCLD (OC less AD)
301	Organization	\$7,704	\$0	\$0	\$7,704	\$0	\$7,704
302	Franchises				0		0
303	Land and Land Rights	34,175			34,175		34,175
304	Structures and Improvements	15,880			15,880	7,410	8,470
305	Collecting & Improving Reservoirs				0		0
306	Lake, River, Canal Intakes				0		0
307	Wells and Springs	53,226	36,184		89,410	20,036	69,374
308	Infiltration Galleries				0		0
309	Supply Mains				0		0
310	Power Generation Equipment	1,512			1,512	1,096	416
311	Pumping Equipment	70,299	10,621		80,920	66,798	14,122
320	Water Treatment Equipment				0		0
320.1	Water Treatment Plants				0		0
320.2	Solution Chemical Feeders	1,352			1,352	1,352	0
320.3	Point-of-Use Treatment Devices				0		0
330	Distribution Reservoirs and Standpipes	23,893			23,893	23,893	0
330.1	Storage Tanks	4,923			4,923	929	3,994
330.2	Pressure Tanks	14,695			14,695	14,695	0
331	Transmission and Distribution Mains	91,700			91,700	88,525	3,175
333	Services	11,356			11,356	10,593	763
334	Meters and Meter Installations	36,301	1,991		38,292	28,546	9,746
335	Hydrants				0		0
336	Backflow Prevention Devices				0		0
339	Other Plant and Misc. Equipment				0		0
340	Office Furniture and Equipment	6,562			6,562	6,307	255
340.1	Computer & Software	8,835			8,835	8,835	0
341	Transportation Equipment	1,800			1,800	1,800	0
342	Stores Equipment				0		0
343	Tools, Shop and Garage Equipment				0		0
344	Laboratory Equipment				0		0
345	Power Operated Equipment	13,631			13,631	6,198	7,433
346	Communication Equipment	606			606	606	0
347	Miscellaneous Equipment				0		0
348	Other Tangible Plant				0		0
	Totals	\$398,450	\$48,796	\$0	\$447,246	\$287,619	\$159,627

Cayetano, Inc. DBA Lakewood Water Company
Annual Report
Depreciation Expense for the Current Year (Water)
12/31/20

Depreciation Expense for the Current Year (Water)									
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Fully Depreciated/Non-depreciable Plant	Depreciable Plant	Depreciation Percentages	Depreciation Expense
301	Organization	\$7,704	\$0	\$0	\$7,704	\$7,704	\$0		\$0
302	Franchises	0	0	0	0	0	0		0
303	Land and Land Rights	34,175	0	0	34,175	34,175	0		0
304	Structures and Improvements	15,880	0	0	15,880	3,326	12,554	3.33%	418
305	Collecting & Improving Reservoirs	0	0	0	0	0	0		0
306	Lake, River, Canal Intakes	0	0	0	0	0	0		0
307	Wells and Springs	53,226	36,184	0	89,410	17,078	72,332	3.33%	1,806
308	Infiltration Galleries	0	0	0	0	0	0		0
309	Supply Mains	0	0	0	0	0	0		0
310	Power Generation Equipment	1,512	0	0	1,512	1,512	1,512	5.00%	76
311	Pumping Equipment	70,299	10,621	0	80,920	63,708	17,212	12.50%	1,488
320	Water Treatment Equipment	0	0	0	0	0	0		0
320.1	Water Treatment Plants	0	0	0	0	0	0		0
320.2	Solution Chemical Feeders	1,352	0	0	1,352	1,352	0	20.00%	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0		0
330	Distribution Reservoirs and Standpipes	23,893	0	0	23,893	23,893	0		0
330.1	Storage Tanks	4,923	0	0	4,923	4,923	4,923	2.22%	109
330.2	Pressure Tanks	14,695	0	0	14,695	14,695	0	5.00%	0
331	Transmission and Distribution Mains	91,700	0	0	91,700	87,413	4,287	2.00%	86
333	Services	11,356	0	0	11,356	9,779	1,577	3.33%	53
334	Meters and Meter Installations	36,301	1,991	0	38,292	25,562	12,730	8.33%	977
335	Hydrants	0	0	0	0	0	0	2.00%	0
336	Backflow Prevention Devices	0	0	0	0	0	0		0
339	Other Plant and Misc. Equipment	0	0	0	0	0	0		0
340	Office Furniture and Equipment	6,562	0	0	6,562	5,712	850	6.67%	57
340.1	Computer & Software	8,835	0	0	8,835	8,835	0	20.00%	0
341	Transportation Equipment	1,800	0	0	1,800	1,800	0	20.00%	0
342	Stores Equipment	0	0	0	0	0	0		0
343	Tools, Shop and Garage Equipment	0	0	0	0	0	0		0
344	Laboratory Equipment	0	0	0	0	0	0		0
345	Power Operated Equipment	13,631	0	0	13,631	1,890	11,741	5.00%	587
346	Communication Equipment	606	0	0	606	606	0	10.00%	0
347	Miscellaneous Equipment	0	0	0	0	0	0		0
348	Other Tangible Plant	0	0	0	0	0	0		0
	Subtotal	\$398,450	\$48,796	\$0	\$447,246	\$307,528	\$139,718		\$5,656

Contribution(s) in Aid of Construction (Gross)	\$18,135
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	18,135
Amortizable Contribution(s)	\$0
Times: Proposed Amortization Rate	4.96%
Amortization of CIAC	\$0

Less: Amortization of CIAC \$0

DEPRECIATION EXPENSE **\$5,656**

Cayetano, Inc. DBA Lakewood Water Company
 Annual Report
 Balance Sheet Assets
 12/31/20

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2020)	Balance at End of Year (2020)
Account No.	Current and Accrued Assets			
131	Cash		\$14,712	\$16,298
134	Working Funds			
135	Temporary Cash Investments			
141	Customer Accounts Receivable		6,783	5,011
146	Notes Receivable from Associated Companies		25,603	25,603
151	Plant Material and Supplies			
162	Prepayments			
174	Miscellaneous Current and Accrued Assets			
	Total Current and Accrued Assets		\$47,098	\$46,912
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$398,450	\$447,246
103	Property Held for Future Use			
105	Construction Work in Progress			
108	Accumulated Depreciation (enter as negative)*		(281,962)	(287,619)
121	Non-Utility Property			
122	Accumulated Depreciation - Non Utility			
	Total Fixed Assets		\$116,488	\$159,627
	Total Assets		\$163,586	\$206,539

*Note these items feed automatically from AR3 UPIS Page 4

Cayetano, Inc. DBA Lakewood Water Company
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2020)	Balance at End of Year (2020)
Account No.	Current Liabilities			
231	Accounts Payable		\$2,780	\$2,490
232	Notes Payable (Current Portion)			
234	Notes Payable to Associated Companies			10,500
235	Customer Deposits		1,270	940
236	Accrued Taxes		436	427
237	Accrued Interest			
242	Miscellaneous Current and Accrued Liabilities			
	Total Current Liabilities		\$4,486	\$14,357
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$0	\$0
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		1,948	1,568
255	Accumulated Deferred Investment Tax Credits			
271	Contributions in Aid of Construction		18,135	18,135
272	Less: Amortization of Contributions		(18,135)	(18,135)
281	Accumulated Deferred Income Tax			
	Total Deferred Credits		\$1,948	\$1,568
	Total Liabilites		\$6,434	\$15,925
	Capital Accounts			
201	Common Stock Issued		\$15,790	\$15,790
211	Other Paid-In Capital		49,210	80,210
215	Retained Earnings		92,152	94,614
218	Proprietary Capital (Sole Props and Partnerships)			
	Total Capital		\$157,152	\$190,614
	Total Liabilities and Capital		\$163,586	\$206,539

Note: Total liabilities and Capital must match total assets for the beginning and end of the year!

Cayetano, Inc. DBA Lakewood Water Company
Annual Report
Water Comparative Income Statement
12/31/20

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2020 - 12/31/2020	Last Year 01/01/2019 - 12/31/2019
	Operating Revenue		
461	Metered Water Revenue	\$92,552	\$89,161
460	Unmetered Water Revenue		
462	Fire Protection Revenue		
469	Guaranteed Revenues (Surcharges)		
471	Miscellaneous Service Revenues		
474	Other Water Revenue	2,238	1,629
	Total Revenues	\$94,790	\$90,790
	Operating Expenses		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits		
610	Purchased Water		
615	Purchased Power	11,256	10,047
618	Chemicals		
620	Materials and Supplies		
620.1	Repairs and Maintenance	926	5,833
620.2	Office Supplies and Expense	852	1,811
630	Contractual Services	1,341	
631	Contractual Services - Engineering		
632	Contractual Services - Accounting	3,081	4,806
633	Contractual Services - Legal	75	
634	Contractual Services - Management Fees	52,000	60,000
635	Contractual Services - Water Testing	1,369	3,079
636	Contractual Services - Other	4,596	
640	Rents	1,500	1,410
641	Rental of Building/Real Property		
642	Rental of Equipment		
650	Transportation Expenses		
657	Insurance - General Liability	2,698	3,667
657.1	Insurance - Health and Life		
665	Regulatory Commission Expense - Rate		
670	Bad Debt Expense		
675	Miscellaneous Expense	1,833	1,315
403	Depreciation Expense (From Schedule AR4)	5,656	3,320
408	Taxes Other Than Income		
408.11	Property Taxes	5,141	11,204
409	Income Taxes		1,952
427.1	Customer Security Deposit Interest	41	3
	Total Operating Expenses	\$92,365	\$108,447
	Operating Income / (Loss)	\$2,425	(\$17,657)
	Other Income / (Expense)		
419	Interest and Dividend Income	\$0	\$8
421	Non-Utility Income	38	152
426	Miscellaneous Non-Utility (Expense)		(10,351)
427	Interest (Expense)		
	Total Other Income / (Expense)	\$38	(\$10,191)
	Net Income / (Loss)	\$2,463	(\$27,848)

Cayetano, Inc. DBA Lakewood Water Company
 Annual Report
 Full time equivalent employees
 12/31/20

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President				0.0
Vice-president				0.0
Manager				0.0
Engineering Staff				0.0
System Operator(s)			difficult to	0.0
Meter reader			determine	0.0
Customer Service				0.0
Accounting				0.0
Business Office				0.0
Rates Department				0.0
Administrative Staff				0.0
Other				0.0
Total	0.0	0.0	0.0	0.0

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	No loans			
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amt. Issued				
Amount Outstanding				
Date of Maturity				
Interest Rate				
Current Year Interest				
Current Year Principal				

Meter Deposit Balance at Test Year End:	\$1,568
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Meter Deposits Refunded During the Test Year:	\$380
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List all bonds, notes, loans, and other types of indebtedness in which the proceeds were used in the provision of public utility service. Indebtedness incurred for personal uses by the owner of the utility should not be listed. Input 0 or none if there is nothing to report for that cell.

Water Utility Plant Description (Continued)

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:	Chlorinator
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STRUCTURES:	N/A
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OTHER:	N/A
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Provide a calculation used to determine the value of one water equivalent residential connection (ERC).

Use one of the following methods:

- (a) If actual flow data are available from the preceding 12 months, divide the total annual single family residence (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365
- (b) If no historical flow data are available, use:
 $ERC = (\text{Total SFR gallons sold (Omit 000)} / 365 \text{ days} / 350 \text{ gallons per day})$

ERC	292
Method used:	(a)

Customer and Other Information	
Name of the System:	LAKEWOOD WATER CO.
ADEQ Public Water System Number:	AZ0410063
ADWR PCC Number:	91-000426.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	302	1	8	0	3
February	300	1	8	0	3
March	301	1	8	0	3
April	301	1	8	0	3
May	301	1	8	0	3
June	301	1	8	0	3
July	302	1	8	0	3
August	301	1	9	0	3
September	302	1	8	0	3
October	302	1	8	0	3
November	304	1	8	0	3
December	298	1	8	0	3

If the system has fire hydrants, what is the fire flow requirements? GPM for hrs.

Does the system have chlorination treatment?

Does the Company have an ADWR Gallons Per Capita Per Day (GCPCPD) requirement?

If yes, provide the GPCPD amount:

Is the Water Utility located in an ADWR Active Management Area (AMA)?

If yes, which AMA?

What is the present system connection capacity (in ERCs *) using existing lines?

What is the future system connection capacity (in ERCs *) upon service area buildout?

Describe any plans and estimated completion dates for any enlargements or improvements of this system.

* an ERC is based on the calculation on the bottom of AR9 page 12.

Cayetano, Inc. DBA Lakewood Water Company
Annual Report
 Utility Shutoffs / Disconnects
 12/31/20

Utility Shutoffs / Disconnects	
Name of the System:	LAKEWOOD WATER CO.
ADEQ Public Water System Number:	AZ0410063
ADWR PCC Number:	91-000426.0000

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	0	0
February	0	0	0
March	0	0	0
April	0	0	0
May	0	0	0
June	0	0	0
July	0	0	0
August	0	0	0
September	0	0	0
October	0	0	0
November	0	0	0
December	0	0	0
Total	0	0	0

Other (description):

N/A

Instructions: Fill out the Grey Cells with the relevent information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Property Taxes

Amount of actual property taxes paid during Calendar Year 2020 was

\$5,307

If no property taxes paid, explain why.

NA

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Verification and Sworn Statement (Taxes)

Verification: State of Arizona I, the undersigned of the
(state name)

County of (county name): Pima
Name (owner or official) title: Dorinda Chacon, Manager
Company name: Cayetano, Inc. DBA Lakewood Water Company

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

FOR THE YEAR ENDING: 12/31/20

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

Sworn Statement: I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

Dorinda Chacon

signature of owner/official

(520) 623-5172

telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY

THIS

27th

DAY OF

Pima
(county name)
April 2021
(month) and (year)

MY COMMISSION EXPIRES

9/01/2023
(date)



Patrice A. Bayers
(signature of notary public)

Verification and Sworn Statement

Verification:

State of Arizona I, the undersigned of the
(state name)
County of (county name): Pima
Name (owner or official) title: Dorinda Chacon, Manager
Company name: Cayetano, Inc. DBA Lakewood Water Company

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

FOR THE YEAR ENDING: 12/31/20

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

Sworn Statement: IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING THE CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$96,566

(The amount in the box above includes

\$5,595 in sales taxes

billed or collected)

Dorinda Chacon

signature of owner/official

(520) 623-5172

telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY

THIS

27th

DAY OF

Pima
(county name)

April 2021
(month) and (year)

MY COMMISSION EXPIRES

9/01/2023
(date)



Patrice A. Bayers
(signature of notary public)

Verification and Sworn Statement (Residential Revenue)

Verification:

State of Arizona, the undersigned of the
(state name)

County of (county name): Pima
Name (owner or official) title: Dorinda Chacon, Manager
Company name: Cayetano, Inc. DBA Lakewood Water Company

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

FOR THE YEAR ENDING: 12/31/20

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

Sworn Statement: IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING THE CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$89,108
(The amount in the box above includes
\$5,006 in sales taxes
billed or collected)

Dorinda Chacon
signature of owner/official

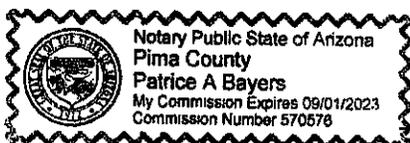
(520) 623-5172
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY

Pima
(county name)

THIS 27th DAY OF April 2021
(month) and (year)

MY COMMISSION EXPIRES 9/01/2023
(date)



Patrice A. Bayers
(signature of notary public)